

Message Text

UNCLASSIFIED

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ACTION EB-08

INFO OCT-01 ARA-14 IO-14 ISO-00 L-03 FRB-01 OMB-01
ITC-01 SP-02 AGRE-00 AID-05 CIAE-00 COME-00
INR-07 LAB-04 NSAE-00 OIC-02 SIL-01 STR-05
TRSE-00 CEA-01 SS-15 AF-10 EA-12 EUR-12 NEA-10
USIE-00 SSO-00 INRE-00 /129 W
-----063280 121824Z /50

O R 121701Z SEP 77
FM USMISSION GENEVA
TO SECSTATE WASHDC IMMEDIATE 1022
INFO ALL UNCTAD SUGAR NEGOTIATIONS POSTS
AMCONSUL BELIZE

UNCLAS SECTION 1 OF 2 GENEVA 7754

DEPT FOR ASST SEC KATZ

E.O. 11652: N/A
TAGS: UNCTAD, EAGR, ETRD
SUBJECT: UNCTAD SUGAR CONFERENCE

1. JONES-PARRY DOCUMENT ON BASIC EXPORT TONNAGE (BET) RELEASED
AFTERNOON SEPTEMBER 12. OPERATIVE TEXT AS FOLLOWS:

2. BEGIN TEXT:

ALLOW ME, THEREFORE, TO SET OUT BELOW THE PROPOSITIONS THAT I
SUBMIT FOR CONSIDERATION:

(A) BASIC EXPORT TONNAGES LISTED IN THIS MEMORANDUM WILL BE
OPERATIVE FOR THE FIRST TWO YEARS OF THE LIFE OF THE
AGREEMENT. BASIC EXPORT TONNAGES FOR THE NEXT TWO YEARS OR
FOR THE REMAINDER OF THE AGREEMENT WILL BE NEGOTIATED;
IF THAT NEGOTIATION FAILS TO PRODUCE A SETTLEMENT, BASIC EXPORT
TONNAGES FOR THE THIRD AND SUBSEQUENT YEARS WILL
BE ADJUSTED ACCORDING TO SOME PREDETERMINED CRITERIA WHICH MIGHT
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INCLUDE, INTER ALIA, PREVIOUS B.E.T.'S AND BEST
PERFORMANCE IN THE PREVIOUS TWO YEARS.

(B) THE MAXIMUM QUOTA REDUCTION WILL BE FIXED AT 15 PERCENT OF
B.E.T.'.

(C) IN THE LIGHT OF ADVICE FROM TRADE AND OTHER SOURCES, FREE

MARKET DEMAND IN THE FIRST YEAR HAS BEEN ESTIMATED AT 16 MILLION TONNES. IF THE OPERATION OF THE MAXIMUM QUOTA REDUCTION SUGGESTED IN THE PREVIOUS SUB-PARAGRAPH DOES NOT SUFFICE TO ACHIEVE THE PRICE OBJECTIVES OF THE AGREEMENT, THE COUNCIL SHOULD HAVE AUTHORITY IN THE FIRST YEAR OF THE AGREEMENT TO TAKE SUCH ADDITIONAL MEASURES AS MIGHT BE NEEDED TO BALANCE SUPPLY AND DEMAND.

(D) EXPORTING MEMBERS NOT LISTED IN THE ANNEX TO THIS MEMORANDUM WILL HAVE AN EXPORT ENTITLEMENT OF UP TO 70,000 TONNES. THIS ENTITLEMENT SHALL NOT BE SUBJECT TO ANY ADJUSTMENTS.

(E) A RESERVE MIGHT BE ESTABLISHED FROM THE SECOND YEAR ONWARDS TO BE MANAGED BY THE EXECUTIVE DIRECTOR IN CONSULTATION WITH THE EXECUTIVE COMMITTEE AND ALONG LINES LAID DOWN IN THE AGREEMENT ITSELF AND/OR IN THE RULES OF PROCEDURE. ITS MAIN PURPOSE WOULD BE TO GIVE ASSISTANCE TO DEVELOPING EXPORTING MEMBERS WITH AN EXPORT ENTITLEMENT OF 200,000 TONNES OR LESS IN TEMPORARY NEED OF AN ADDITIONAL ENTITLEMENT OVER AND ABOVE THEIR QUOTAS IN EFFECT.

(F) THE PROPOSED BASIC EXPORT TONNAGES ARE LISTED IN THE ANNEX.

ON THE ASSUMPTION THAT B.E.T'S WILL BE SUBJECT TO THE MAXIMUM QUOTA CUT OF 15 PER CENT REFERRED TO IN SUB-PARAGRAPH 4(B) ABOVE, THE EFFECT OF THE PROPOSALS MADE IN THIS MEMORANDUM WOULD BE UNCLASSIFIED

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AS FOLLOWS IN 1978:

A. B.E.T.' 15,515,000

B. LESS MAXIMUM CUT OF 15 PER CENT 2,327,250

C. QUOTAS AFTER MAXIMUM CUT 13,187,750

D. ESTIMATE OF AVAILABILITIES UNDER SUB-PARAGRAPH 4(D) AOBVE 475,000

E. EXPORT AVAILABILITY FROM U.S.S.R. 500,000#

F. EXPORT AVAILABILITY FROM G.D.R. 75,000

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G. EXPORTS FROM NON-MEMBERS, SAY 525,000

TOTAL SUGAR FROM ABOVE SOURCES 14,762,750

H. E.E.C. NET EXPORT AVAILABILITY OF 2,000,000 TO THE
FREE MARKET, SUBJECT TO ADDITIONAL STOCKING EQUIVALENT TO
15 PER CENT QUOTA CUTS BY EXPORTING MEMBERS 1,700,000.

NET TOTAL IN 1978 1,462,750##

AS INDICATED BY THE U.S.S.R. AT THE CONFERENCE

THERE WILL BE SHORTFALLS ON EXPORT QUOTAS IN EFFECT AND
EXPORT ENTITLEMENTS. WHILST IT IS IMPOSSIBLE TO BE PRECISE,
A CONSERVATIVE ESTIMATE OF AT LEAST HALF-A-MILLION TONNES
SEEMS JUSTIFIED IN THE LIGHT OF EXPERIENCE UNDER THE 1968
AGREEMENT. A SHORTFALL OF THAT ORDER WOULD BRING SUPPLY
AND DEMAND IN 1978 INTO RELATIVE BALANCE IF THE PROPOSALS
IN THIS NOTE ARE ACCEPTED.

ANNEX
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IN THOUSANDS TONNES R.V.

ARGENTINA - 425
AUSTRALIA - 2,400
AUSTRIA - 80

BOLIVIA - 90
BRAZIL - 2,100
COSTA RICA - 105
CUBA - 2,500
CZECHOSLOVAKIA - 150
DOMINICAN REPUBLIC - 1,100
ECUADOR - 80
EL SALVADOR - 130
FIJI - 125
GUATEMALA - 300
GUYANA - 145
INDIA - 825
JAMAICA - 120
MAURITIUS - 175
MOZAMBIQUE - 85
NICARAGUA - 125
PANAMA - 90
PERU - 300
PHILIPPINES - 1,500
POLAND - 300
SOUTH AFRICA - 875
SWAZILAND - 105
THAILAND - 1,200
TRINIDAD AND TOBAGO - 85.

END TEXT

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VANDEN HEUVEL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, EXPORTS, MEETINGS
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Copy: SINGLE
Sent Date: 12-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770330-0073
Format: TEL
From: GENEVA
Handling Restrictions: n/a
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Litigation History:
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Original Previous Classification: n/a
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SAS ID: 1311749
Secure: OPEN
Status: NATIVE
Subject: UNCTAD SUGAR CONFERENCE
TAGS: EAGR, ETRD, UNCTAD
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/f1138648-c288-dd11-92da-001cc4696bcc
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